

AMENDED IN SENATE MARCH 25, 2008

SENATE BILL

No. 1622

Introduced by Senator Simitian

February 22, 2008

~~An act to amend Section 1198.5 of the Labor Code, relating to employment. An act to add Section 1347 to, and to add Chapter 1.6 (commencing with Section 155) to Part 1 of Division 1 of, the Health and Safety Code, relating to health benefits.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 1622, as amended, Simitian. ~~Employee records: access. California Health Benefits Service Program.~~

Existing law creates various health benefits programs administered by the Managed Risk Medical Insurance Board and the State Department of Health Care Services.

The bill would create the California Health Benefits Service Program within the State Department of Health Care Services, with various powers and duties relative to creation of joint ventures between certain county-organized health plans and various other entities. The bill would require these joint ventures to be licensed as health care service plans and would create a stakeholder committee. The bill would also authorize the Director of Managed Health Care to provide regulatory and program flexibilities to facilitate licensing of specified entities providing coverage pursuant to the bill.

~~Existing law requires an employer to maintain specified records of his or her employees and to make the records available for inspection by the employees.~~

~~This bill would make a nonsubstantive change to this provision.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Chapter 1.6 (commencing with Section 155) is*
2 *added to Part 1 of Division 1 of the Health and Safety Code, to*
3 *read:*

4
5 *CHAPTER 1.6. CALIFORNIA HEALTH BENEFITS SERVICE*
6

7 155. (a) *The California Health Benefits Service Program is*
8 *hereby created within the State Department of Health Care*
9 *Services for the purpose of expanding cost-effective public health*
10 *coverage options to the uninsured and purchasers of health*
11 *insurance, including individuals, families, employers, and other*
12 *health plan sponsors. The program shall do all of the following:*

13 (1) *Identify statutory, regulatory, or financial barriers or*
14 *incentives that should be addressed to facilitate the establishment*
15 *and maintenance of one or more joint ventures between health*
16 *plans that contract with, or are governed, owned, or operated by,*
17 *a county board of supervisors, a county special commission, a*
18 *county-organized health system, or a county health authority*
19 *authorized by Section 14018.7, 14087.31, 14087.35, 14087.36,*
20 *14087.38, 14087.96, or Article 2.8 (commencing with Section*
21 *14087.5) of Chapter 7 of Division 9 of Part 3 of the Welfare and*
22 *Institutions Code, as well as the County Medical Services Program.*

23 (2) *Identify statutory, regulatory, or financial barriers or*
24 *incentives that should be addressed before joint ventures among*
25 *these health plans may be formed, or existing health plans or the*
26 *County Medical Services Program may expand to serve other*
27 *geographic areas, for the purposes of providing public health care*
28 *services in counties where there is not a local initiative or*
29 *county-organized health plan that contracts with the State*
30 *Department of Health Care Services or the County Medical*
31 *Services Program, participating in these joint ventures.*

32 (3) *Report these initial findings to the committees of jurisdiction*
33 *in the Senate and Assembly on or before January 15, 2009.*

34 (4) *Provide technical assistance to local health care delivery*
35 *entities, including local initiatives, county-organized health*

1 *systems, and the County Medical Services Program, to support*
2 *joint ventures and efforts by these entities to expand to serve other*
3 *geographic areas and specified populations, or to contract with*
4 *providers to provide health care services in counties where there*
5 *is not a local initiative or county-organized health plan that*
6 *contracts with the State Department of Health Care Services that*
7 *opts to participate in such joint ventures, or participation from*
8 *the County Medical Services Program.*

9 *(5) Consistent with the report and recommendations provided*
10 *pursuant to this section and consistent with existing law, the*
11 *department may enter into contracts with joint ventures authorized*
12 *pursuant to this section to provide medical services to specified*
13 *populations, as determined by the program.*

14 *(b) Health plans that contract with or are governed, owned, or*
15 *operated by, a county board of supervisors, a county special*
16 *commission, a county-organized health system, or county health*
17 *authority authorized by Section 14018.7, 14087.31, 14087.35,*
18 *14087.36, 14087.38, 14087.96, or Article 2.8 (commencing with*
19 *Section 14087.5) of Chapter 7 of Division 9 of Part 3 of the Welfare*
20 *and Institutions Code, and the County Medical Services Program,*
21 *may form joint ventures to create integrated networks of public*
22 *health plans that pool risk and share networks.*

23 *(1) In forming joint ventures, participating health plans shall*
24 *seek to contract with designated public hospitals, county health*
25 *clinics, community health centers, and other traditional safety net*
26 *providers.*

27 *(2) All joint ventures and health care networks established*
28 *pursuant to this section shall seek licensure as a health care service*
29 *plan consistent with the Knox-Keene Health Care Service Plan*
30 *Act of 1975 (Chapter 2.2 (commencing with Section 1340) of*
31 *Division 2 of the Health and Safety Code). Prior to commencement*
32 *of enrollment, the joint venture or health care network shall be*
33 *licensed pursuant to that act.*

34 *(c) There is hereby created the California Health Benefits*
35 *Service Program Stakeholder Committee. The committee shall be*
36 *comprised of 10 members appointed as follows:*

37 *(1) The Director of Health Care Services shall appoint six*
38 *members including two representatives of local initiatives*
39 *authorized under the Welfare and Institutions Code, a*
40 *representative of county-organized health systems, a representative*

1 of the County Medical Services Program, a representative of health
2 care providers, and a representative of employers.

3 (2) The Senate Committee on Rules shall appoint two members
4 including a labor representative and a representative of health
5 care consumers.

6 (3) The Speaker of the Assembly shall appoint two members,
7 including a representative of local initiatives authorized under the
8 Welfare and Institutions Code, and a representative of organized
9 labor. The committee shall meet at least quarterly to provide input
10 to the program and assist the program in carrying out its
11 responsibilities as outlined in this section.

12 (d) On or before November 1, 2009, and annually thereafter,
13 the department, with input from the committee, shall update the
14 committees of jurisdiction in the Senate and Assembly on
15 implementation of this section and make recommendations, as
16 applicable, on changes necessary to implement this section. The
17 update shall also include progress on the purpose of this section
18 and recommendations on resources, policy, and legislative changes
19 necessary to build and implement a system of public health
20 coverage throughout California. The update shall describe the
21 projects proposed or established pursuant to this section, including,
22 but not limited to, the participating providers, the groups covered,
23 the physicians and hospitals in the network, and the counties
24 served.

25 (e) The program shall consult with relevant departments,
26 including the Department of Managed Health Care, in the
27 implementation of this section.

28 (f) Nothing in this section shall be construed to prohibit any
29 other licensed health care service plan not mentioned in
30 subdivisions (b) and (c) from entering into joint ventures or
31 contracts with the State Department of Health Care Services to
32 provide services in counties in which there is not a Medi-Cal
33 managed care health plan that contracts with the department.

34 SEC. 2. Section 1347 is added to the Health and Safety Code,
35 to read:

36 1347. The director is authorized to provide regulatory and
37 program flexibilities to facilitate new, modified, or combined
38 licenses of local initiatives and county-organized health systems,
39 and the County Medical Services Program created pursuant to
40 this chapter or the California Health Benefits Service Program,

1 *that seek licensure for regional or statewide networks for the*
2 *purposes of contracting with the Managed Risk Medical Insurance*
3 *Board, or for the purposes of providing coverage in the individual*
4 *and group coverage markets. In providing those flexibilities, the*
5 *director shall ensure that the health plans established pursuant to*
6 *this section meet essential financial, capacity, and consumer*
7 *protection requirements of this chapter.*

8 **SECTION 1.** ~~Section 1198.5 of the Labor Code is amended to~~
9 ~~read:~~

10 ~~1198.5. (a) Every employee has the right to inspect the~~
11 ~~personnel records that the employer maintains relating to the~~
12 ~~performance of the employee or to any grievance concerning the~~
13 ~~employee.~~

14 ~~(b) The employer shall make the contents of those personnel~~
15 ~~records available to the employee at reasonable intervals and at~~
16 ~~reasonable times. Except as provided in paragraph (3) of~~
17 ~~subdivision (c), the employer shall not be required to make those~~
18 ~~personnel records available at a time when the employee is actually~~
19 ~~required to render service to the employer.~~

20 ~~(c) The employer shall do one of the following:~~

21 ~~(1) Keep a copy of each employee's personnel records at the~~
22 ~~place where the employee reports to work.~~

23 ~~(2) Make the employee's personnel records available at the~~
24 ~~place where the employee reports to work within a reasonable~~
25 ~~period of time following an employee's request.~~

26 ~~(3) Permit the employee to inspect the personnel records at the~~
27 ~~location where the employer stores the personnel records, with no~~
28 ~~loss of compensation to the employee.~~

29 ~~(d) The requirements of this section shall not apply to:~~

30 ~~(1) Records relating to the investigation of a possible criminal~~
31 ~~offense.~~

32 ~~(2) Letters of reference.~~

33 ~~(3) Ratings, reports, or records that were:~~

34 ~~(A) Obtained prior to the employee's employment.~~

35 ~~(B) Prepared by identifiable examination committee members.~~

36 ~~(C) Obtained in connection with a promotional examination.~~

37 ~~(4) Employees who are subject to the Public Safety Officers~~
38 ~~Procedural Bill of Rights Act (Chapter 9.7 (commencing with~~
39 ~~Section 3300) of Division 4 of Title 1 of the Government Code).~~

1 ~~(5) Employees of agencies subject to the Information Practices~~
2 ~~Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4~~
3 ~~of Division 3 of the Civil Code).~~

4 ~~(e) The Labor Commissioner may adopt regulations that~~
5 ~~determine the reasonable times and reasonable intervals for the~~
6 ~~inspection of records maintained by an employer that is not a public~~
7 ~~agency.~~

8 ~~(f) If a public agency has established an independent employee~~
9 ~~relations board or commission, an employee shall first seek relief~~
10 ~~regarding any matter or dispute relating to this section from that~~
11 ~~board or commission before pursuing any available judicial~~
12 ~~remedy.~~

13 ~~(g) In enacting this section, it is the intent of the Legislature to~~
14 ~~establish minimum standards for the inspection of personnel~~
15 ~~records by employees. Nothing in this section shall be construed~~
16 ~~to prevent the establishment of additional rules for the inspection~~
17 ~~of personnel records that are established as the result of agreements~~
18 ~~between an employer and a recognized employee organization.~~